

**Before the  
Federal Communications Commission  
Washington, DC 20554**

In the Matter of	)	
	)	
Wireless Telecommunications Bureau,	)	GN Docket No. 18-122
International Bureau, Office of Engineering	)	RM-111778
and Technology, and Office of Economics	)	
and Analytics Seek Focused Additional	)	
Comment in 3.7-4.2 GHz Band Proceeding	)	

**COMMENTS OF NTCA–THE RURAL BROADBAND ASSOCIATION**

NTCA–The Rural Broadband Association (“NTCA”)<sup>1</sup> hereby submits additional comment in the above-referenced docket as requested by the Wireless Telecommunications Bureau, International Bureau, Office of Engineering and Technology, and Office of Economics and Analytics in response to filings by: (1) ACA Connects – America’s Communications Association, the Competitive Carriers Association, Charter Communications, Inc. (collectively, ACA Connects Coalition); (2) AT&T; and (3) the Wireless Internet Service Providers Association, Google and Microsoft.

NTCA has substantial interests in this proceeding from several distinct perspectives – many of its members are MVPDs, but its members also provide wired and wireless fixed broadband and a number of members provide mobile wireless service as well. The association, on behalf of its members, therefore supports a balanced and measured approach to the spectrum

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<sup>1</sup> NTCA represents nearly 850 independent, community-based telecommunications companies and cooperatives and more than 400 other firms that support or are themselves engaged in the provision of communications services in the most rural portions of America. All of NTCA’s service provider members are full service rural local exchange carriers (“RLECs”) and broadband providers.

that protects incumbent uses and ensures that all consumers, including those residing in rural areas, can take advantage of the spectrum-based services the band has to offer.

**I. NTCA GENERALLY SUPPORTS TRANSITIONING THE MVPD INDUSTRY FROM C-BAND TO FIBER DELIVERY TO FREE UP SPECTRUM FOR TERRESTRIAL USE**

NTCA supports expanding uses of the C-band for terrestrial wireless operations but suggests that the Commission proceed cautiously. C-band spectrum is currently used extensively for content and data delivery in the video programming marketplace. However, such programming can be delivered via fiber and therefore, NTCA is generally supportive of the ACA Connects Coalition proposal to gradually transition the MVPD industry from C-band to fiber video delivery. However, the transition should occur cautiously to ensure no disruption of video programming to consumers and efficiently to ensure that resources are not wasted.

The ACA Connects Coalition proposes that with a transition to fiber, C-band spectrum in urban markets could be cleared within 18 months and most other markets would take up to three years.<sup>2</sup> The group estimates that the more rural and remote areas would transition to fiber within five years. To accomplish the transition off C-band spectrum, MVPDs would be required to acquire and/or build fiber to interconnect their headends and connect to data centers. Based on a 10-year Net Present Value, the ACA Connects Coalition estimates that the cost to transition MVPD earth station users from spectrum to fiber would cost between 6 and 7 billion dollars.<sup>3</sup> MVPDs would be reimbursed for the costs associated with the transition from spectrum auction proceeds.

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<sup>2</sup> See, *ex parte* ACA Connects and attached Cartesian study (July 9, 2019) (“Cartesian study”)

<sup>3</sup> NTCA has not independently verified this estimated cost.

NTCA is supportive of the plan to clear the spectrum to make it available for terrestrial wireless services. However, it must be noted that it may not be possible to clear the spectrum in all areas. Assumptions are made in the ACA Connects Coalition plan that do not account for the extremes. There exist very remote areas in the country, of course, where fiber deployment is extremely difficult. ACA Connects recognizes, for example, that alternative delivery solutions will likely be necessary in remote areas of Alaska,<sup>4</sup> but the Commission should also be cognizant of the fact that there are areas within the continental United States as well that may be far removed from neighboring facilities where, even if fiber offers a logical solution that offers greater cost-effectiveness and capability over the longer run, a goal of a fiber transition and the use of super headends within five short years may be overly ambitious. There must be an alternative delivery mechanism and a process to extend the transition period where it is needed.

It is also necessary to ensure that the transition from spectrum delivery to fiber delivery is accomplished efficiently. As ACA Connects Coalition recognizes, the majority of MVPDs already have access to fiber.<sup>5</sup> Access to that resource should be leveraged. The Commission should require that all providers in the ecosystem who will transition to fiber delivery utilize existing fiber where it is in place and work with existing fiber providers to ensure that additional deployment, where it is necessary, is accomplished in the most efficient manner possible. The Commission should ensure that no auction proceeds contribute to overbuilding or inefficient construction where an existing fiber build could be leveraged.

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<sup>4</sup> Cartesian Study at fn 1.

<sup>5</sup> *Id.*, p. 30.

## **II. THERE SHOULD BE A COMMISSION-DRIVEN AUCTION TO AWARD NEW TERRESTRIAL LICENSES**

NTCA supports a Commission-led auction for the assignment of new terrestrial licenses in the spectrum band. The Commission has clear statutory authority to reallocate the C-band for terrestrial use and then award the resulting terrestrial licenses through a system of competitive bidding that satisfies the requirements of the Communications Act. The Commission has utilized this approach for decades to successfully repurpose a wide array of spectrum bands. This process is fair, open, and transparent, and ensures that decisions about this critical public resource are made according to public interest considerations and constraints.

NTCA is also supportive of an incentive auction to encourage satellite providers to part with spectrum. The Commission has authority under the Communications Act to provide incentives to clear spectrum.<sup>6</sup> Unlike the C-Band Alliance, which would have all auction proceeds from an auction transferred to the satellite providers (minus a donation to treasury), NTCA agrees with the ACA Connects Coalition that a portion of the proceeds should be used to transition earth stations to fiber delivery. The auction is expected to generate enough funding to ensure that all current spectrum users receive an appropriate payment.

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<sup>6</sup> 47 C.F.R. § 309(j)(8)(G).

### **III. THE COMMISSION SHOULD STRUCTURE A FORWARD AUCTION TO PROMOTE PARTICIPATION AMONG A WIDE VARIETY OF APPLICANTS AND THE PROVISION OF SERVICE IN RURAL AREAS**

NTCA proposes that the geographic size of the new licensees be counties or Cellular Market Areas<sup>7</sup> and that limits be established to ensure robust auction participation by a wide variety of applicants.

Much of the spectrum being made available covers rural area and its propagation characteristics make it relatively appealing for rural service. Rural providers have a need and a desire for the spectrum for both mobile and fixed licensed wireless broadband applications but are generally unsuccessful when spectrum is licensed according to rules that favor the nation's largest providers, such as the Partial Economic Areas (PEAs) proposed by T-Mobile.

Reasonably smaller licenses would accommodate a variety of business models. Bidders with geographic build out plans could target spectrum and tailor service coverage according to their needs.<sup>8</sup> More specifically, rural providers would have the ability to obtain spectrum in just the rural areas they intend to serve and nothing would preclude a larger provider from aggregating licenses for a larger business plan. Counties and Cellular Market Areas “nest” into larger geographic service areas and operators would have the ability to secure licenses that correspond to their current footprints. As the Commission determined in the Spectrum Frontiers proceeding, smaller license territories “affords a licensee the flexibility to develop localized services, allows for targeted deployments based on market forces and customer demand, and

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<sup>7</sup> Given the C-Band spectrum's proximity to the CBRS spectrum, county-sized license territories would permit holders of both spectrum bands to have a unified business plan and would encourage more small business auction participation.

<sup>8</sup> NTCA does not support licensed territory at below the county level for this spectrum band. Counties or cellular market areas offer enough territory for a viable business plan without creating excessive transaction costs for carriers seeking to aggregate territory for a larger footprint.

facilitates access by both smaller and larger carriers.”<sup>9</sup> Larger license territories drive small businesses out of spectrum auctions, whereas nothing beyond inconvenience prevents larger providers from participating in the auction and aggregating to suit their needs. Similarly, to ensure a robust auction and opportunity for multiple interested parties, the Commission should limit the amount of spectrum any one licensee may obtain. National and regional providers are well-financed and have the means and ability to obtain spectrum at auction, potentially beyond their needs or build out plans, to foreclose opportunities for competitors. A limit on the amount of spectrum any one entity can obtain will help ensure that multiple providers, including small and rural providers, have a better opportunity to access spectrum, which will facilitate the extension and improvement of service in rural areas, to the benefit of consumers.

When the Telecommunications Act of 1996 was adopted, Congress specifically recognized the unique position of rural telephone companies and their provision of wireless service to rural consumers. Section 309(j) of the Communications Act of 1934, as amended (the “Act”), requires that the Commission, in designing competitive bidding systems, “promot[e] economic opportunity and competition and ensur[e] that new and innovative technologies are readily accessible to the American people by avoiding excessive concentration of licenses and by disseminating licenses among a wide variety of applicants, including small businesses [and] *rural telephone companies*...”<sup>10</sup> In prescribing the regulations governing those competitive bidding systems, the Commission must “ensure that small businesses [and] *rural telephone companies*...are given the opportunity to participate in the provision of

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<sup>9</sup> *Use of Spectrum Bands Above 24 GHz for Mobile Radio Services, et. al.* GN Docket No. 14-177, *et. al.*, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 8014, ¶ 35 (“Spectrum Frontiers Proceeding”).

<sup>10</sup>47 U.S.C. § 309 (j)(3)(B) (emphasis added)

spectrum-based services, and, for such purposes, consider the use of tax certificates, bidding preferences, and other procedures...”<sup>11</sup>

Therefore, the Commission must fulfil its responsibilities under 309(j) by licensing the spectrum according to geographic areas that are small enough to afford small and rural companies a realistic opportunity to participate in the auction with bidding credits for small businesses, and a spectrum aggregation cap that ensures that no one well-financed provider can obtain all of spectrum, foreclosing opportunities for rural competitors.

Respectfully submitted,



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<sup>11</sup> 47 U.S.C. § 309(j)(4)(D) (emphasis added)